

RECEIVED

OCT 19 2005

PUBLIC SERVICE
COMMISSION

RECEIVED

OCT 19 2005

PUBLIC SERVICE
COMMISSION

Kentucky Power Company

REQUEST

Provide a detailed analysis of the retained earnings account for the test year and the 12-month period immediately preceding the test year.

RESPONSE

A detailed analysis of the retained earnings account for the test year and the 12-months period immediately preceding the test year is attached.

WITNESS: Errol Wagner

KENTUCKY POWER COMPANY

Case No. 2005-00341

Retained Earnings Analysis

TEST YEAR	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05
BEGINNING BALANCE	67,329,608.94	71,175,548.82	70,221,167.82	69,989,889.32	68,377,805.13	65,656,269.31	70,555,279.95	76,331,389.37	78,482,222.99	80,440,496.96	81,024,431.58	82,262,210.80
NET INCOME (LOSS)	3,845,939.88	2,545,618.02	(231,276.50)	(1,612,084.19)	778,463.20	4,899,010.64	5,776,109.42	2,150,833.62	1,958,273.97	583,934.62	1,237,779.23	623,636.68
TOTAL	71,175,548.82	73,721,166.84	69,989,889.32	68,377,805.13	69,156,268.33	70,555,279.95	76,331,389.37	78,482,222.99	80,440,496.96	81,024,431.58	82,262,210.80	82,885,847.49
DIVIDEND DECLARED ON COMMON	0.00	(3,499,999.02)	0.00	0.00	(3,499,999.02)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ENDING BALANCE	71,175,548.82	70,221,167.82	69,989,889.32	68,377,805.13	65,656,269.31	70,555,279.95	76,331,389.37	78,482,222.99	80,440,496.96	81,024,431.58	82,262,210.80	82,885,847.49

PRIOR YEAR	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04
BEGINNING BALANCE	51,285,401.88	54,131,218.13	51,381,818.35	52,303,559.80	51,609,090.24	55,044,551.15	64,150,582.93	70,339,427.55	67,683,733.60	69,511,568.32	70,390,442.75	65,795,888.45
NET INCOME (LOSS)	2,845,816.25	2,733,354.86	921,741.45	(694,469.56)	3,435,460.91	9,106,031.78	6,188,844.62	3,594,304.30	1,827,834.72	878,874.43	1,655,443.95	1,533,720.49
TOTAL	54,131,218.13	56,864,572.99	52,303,559.80	51,609,090.24	55,044,551.15	64,150,582.93	70,339,427.55	73,933,731.85	69,511,568.32	70,390,442.75	72,045,886.70	67,329,608.94
DIVIDEND DECLARED ON COMMON	0.00	(5,482,754.65)	0.00	0.00	0.00	0.00	0.00	(6,249,998.25)	0.00	0.00	(6,249,998.25)	0.00
BEGINNING BALANCE	54,131,218.13	51,381,818.35	52,303,559.80	51,609,090.24	55,044,551.15	64,150,582.93	70,339,427.55	67,683,733.60	69,511,568.32	70,390,442.75	65,795,888.45	67,329,608.94

Kentucky Power Company

REQUEST

Provide a listing of all non-utility property, related property taxes, and accounts where amounts are recorded. Include a description of the property, the date purchased, and the cost.

RESPONSE

Attached is a listing of all non-utility property including a description, date purchased, the cost and the related property taxes recorded.

WITNESS: Errol Wagner

Kentucky Power Company
Non-Utility Property
At 6/30/2005

KPSC Case No. 2005-00341
Commission Staff First Set Data Request
Order Dated September 21, 2005
Item No. 37
Page 2 of 2

<u>Company</u>	<u>GL Acct</u>	<u>Plant Acct.</u>	<u>Description</u>	<u>In-Service</u>	<u>Amount at 6/05</u>	<u>County</u>	<u>Assessment</u>	<u>Tax Paid in test Period</u>
Kentucky Power - Distr	1210001	36000 - Land	Millstone 69KV Substation : KEP : 3045	1979	\$609.00	Letcher	\$609	\$3.93
Kentucky Power - Distr	1210001	36000 - Land	Old Betsy Layne Substation Site : KEP : 4053	1941	\$12,313.00	Floyd	\$12,313	\$102.14
Kentucky Power - Distr	1210001	36000 - Land	Old Betsy Layne Substation Site : KEP : 4053	1951	\$303.00	Floyd	\$303	\$2.51
Kentucky Power - Distr	1210001	38900 - Land	South Williamson 46KV Substation : KEP : 2012	1979	\$22,125.00	Pike	Not Assessed in '05	\$0.00
Kentucky Power - Distr	1210001	38900 - Land	Pikeville (Former) Service Building : KEP : 4049	1982	\$25,773.00	Pike	\$400,000	\$3,736.00
Kentucky Power - Distr	1210001	39000 - Structures and Improvements	Pikeville (Former) Service Building : KEP : 4049	1982	\$109,391.00	Pike	Incl. Above	---
Kentucky Power - Distr	1210001	38900 - Land	Ashland Service Building Coffey Park : KEP : 1164	1992	\$31,179.00	Boyd	\$31,179	\$236.65
Kentucky Power - Distr	1210001	39000 - Structures and Improvements	Ashland 25th Street Station Building : KEP : 1004	1990	\$42,820.00	Boyd	\$28,936	\$339.88
Kentucky Power - Transm	1210001	35010 - Land Rights	Savage Branch Tower No.49 138KV Right-of-Way (Future Use) : KEP : 1077	1971	\$2,225.00	Boyd	\$1,562	\$11.86
Kentucky Power - Distr	1210001	38900 - Land	Mud Creek Microwave Repeater Station Site : KEP : 4096	1975	\$2,051.00	Floyd	\$2,051	\$19.06
Kentucky Power - Transm	1210001	35000 - Land	Western Kentucky 345KV Corridor Right of Way : KEP : 1163	1982	\$416,807.00	Trimble	\$416,807	\$3,026.02
Kentucky Power - Transm	1210001	35010 - Land Rights	Western Kentucky 345KV Corridor Right of Way : KEP : 1163	1982	\$330,782.00	Trimble	\$330,782	\$2,401.48
TOTAL					\$996,378.00		\$1,224,542	\$9,879.53

Kentucky Power Company

REQUEST

Provide the rates of return in Format 38.

RESPONSE

The rate of return in Format 38 is shown on Page 2 of this response. The Company has not broken the total Company rate of return down between the Kentucky jurisdiction and the other jurisdiction.

WITNESS: Errol Wagner

Kentucky Power Company

Case No. 2005-00341

Average Rates of Return
For the Calendar Years 2000 through 2004
And the Test Year

Line No.	Item (a)	Kentucky Jurisdiction (b)	Other Jurisdiction (c)	Total Company (d)
1.	Original Cost Net Investment:			
2.	2000			2.8059%
3.	2001			2.9087%
4.	2002			2.5911%
5.	2003			3.4754%
6.	2004			2.7697%
7.	Test Year			2.4164%
8.	Original Cost Common Equity			
9.	2000			7.5830%
10.	2001			8.2620%
11.	2002			7.7370%
12.	2003			10.6920%
13.	2004			8.0800%
14.	Test Year			6.9500%

Kentucky Power Company
Workpapers

	<u>Annual Earnings</u>	<u>Common Equity</u>	<u>13 Month Average Common Equity</u>	<u>ROE</u>	<u>Net Electric Utility Plant</u>	<u>13 Month Average Net Plant</u>	<u>Return on Net Investment</u>
Dec-99		276,310,068.92			739,039,546.25		
Jan-00		281,896,316.26			738,769,288.79		
Feb-00		284,388,928.36			738,546,028.91		
Mar-00		276,771,642.75			739,064,288.13		
Apr-00		276,535,459.90			739,950,133.09		
May-00		269,475,389.51			739,805,328.42		
Jun-00		271,630,605.10			738,458,770.18		
Jul-00		274,979,882.41			740,961,151.83		
Aug-00		271,097,549.90			739,675,590.38		
Sep-00		270,802,105.72			740,150,078.32		
Oct-00		272,126,877.86			740,950,748.28		
Nov-00		266,872,116.68			741,970,045.15		
Dec-00	20,763,113.13	266,713,179.25	273,815,394.00	7.5830%	742,416,258.73	739,981,327.00	2.8059%
Jan-01		273,411,919.18			741,626,471.53		
Feb-01		265,738,732.92			740,726,643.08		
Mar-01		264,873,179.35			740,655,279.27		
Apr-01		264,953,692.77			740,299,397.37		
May-01		257,846,755.46			740,589,586.01		
Jun-01		259,986,132.76			740,193,720.66		
Jul-01		260,550,724.10			740,549,535.76		
Aug-01		255,178,631.71			742,817,683.86		
Sep-01		257,118,948.92			742,302,938.13		
Oct-01		258,521,771.53			740,155,698.22		
Nov-01		251,972,529.52			741,189,893.03		
Dec-01	21,564,540.76	256,130,058.35	260,999,712.00	8.2620%	744,311,091.07	741,371,861.00	2.9087%
Jan-02		261,347,400.83			745,945,306.29		
Feb-02		257,559,594.13			748,368,115.20		
Mar-02		259,848,433.01			751,791,266.42		
Apr-02		261,427,227.17			758,394,484.76		
May-02		254,515,440.37			768,027,506.72		
Jun-02		258,979,713.66			780,527,219.65		
Jul-02		262,416,714.38			788,501,783.40		
Aug-02		263,040,919.38			802,318,794.26		
Sep-02		258,003,660.13			821,930,117.87		
Oct-02		257,497,539.85			843,780,848.54		
Nov-02		307,202,879.77			866,604,388.66		
Dec-02	20,567,364.43	298,018,017.19	265,845,200.00	7.7370%	898,315,460.32	793,755,106.00	2.5911%
Jan-03		303,884,315.92			904,430,637.62		
Feb-03		293,611,253.18			910,149,999.06		
Mar-03		299,557,632.00			925,162,884.87		
Apr-03		304,309,438.69			932,621,457.88		
May-03		299,129,697.70			937,986,873.38		
Jun-03		300,528,844.01			939,596,662.89		
Jul-03		303,981,414.48			940,297,691.84		
Aug-03		301,739,054.92			940,061,271.26		
Sep-03		302,287,827.59			941,720,815.68		
Oct-03		301,686,520.25			940,921,220.75		
Nov-03		305,081,933.38			940,251,195.25		
Dec-03	32,330,250.50	317,138,188.38	302,381,088.00	10.6920%	941,729,925.33	930,249,700.00	3.4754%
Jan-04		323,289,844.22			937,937,468.94		
Feb-04		320,179,638.49			936,038,861.37		
Mar-04		321,744,127.43			934,949,431.56		
Apr-04		322,670,433.08			934,856,444.44		
May-04		317,775,034.00			935,375,846.65		
Jun-04		319,354,681.71			935,586,445.10		
Jul-04		323,348,222.81			934,167,965.33		
Aug-04		322,455,438.03			933,563,014.14		
Sep-04		321,971,602.75			933,730,872.21		
Oct-04		319,544,253.78			933,324,491.82		
Nov-04		317,806,677.48			932,441,727.10		
Dec-04	25,904,691.56	320,980,310.29	320,635,266.00	8.0800%	934,860,539.26	935,274,079.00	2.7697%
Jan-05		325,624,630.98			933,254,185.46		
Feb-05		327,168,141.82			931,153,836.72		
Mar-05		328,238,137.14			931,357,158.42		
Apr-05		329,043,278.98			932,394,744.06		
May-05		331,277,380.42			933,332,560.85		
Jun-05	22,556,236.59	331,354,481.33	324,474,403.00	6.9500%	936,050,766.34	933,478,331.00	2.4164%

Kentucky Power Company

REQUEST

Provide employee data in Format 39.

RESPONSE

The employee data in Format 39 is attached.

Only applicable categories were included.

WITNESS: R.K. Wohnhas

KENTUCKY POWER COMPANY

Calendar Years	Power Production			Transmission			Distribution			Customer Accounts		
	No.	Hours	Wages	No.	Hours	Wages	No.	Hours	Wages	No.	Hours	Wages
Prior to Test												
5th Year	139	237,154.78	5,509,405.02	54	93,512.13	2,231,855.58	174	297,328.52	6,500,890.98	30	54,153.28	876,264.74
% Change	-3.60%	-6.98%	-3.92%	-16.67%	-14.89%	-13.72%	-5.75%	-5.81%	-1.86%	16.67%	14.97%	21.91%
4th Year	134	220,592.04	5,293,409.90	45	79,588.79	1,925,673.58	164	280,043.59	6,380,230.79	35	62,261.76	1,068,287.70
% Change	-3.73%	-3.28%	-1.48%	-2.22%	-3.18%	1.38%	-4.27%	-4.23%	-0.15%	14.29%	14.96%	17.12%
3rd Year	129	213,361.74	5,214,875.48	44	77,061.76	1,952,247.59	157	268,211.04	6,370,931.43	40	71,573.56	1,251,222.33
% Change	-0.78%	-19.07%	-13.83%	18.18%	-3.02%	11.84%	-5.10%	-22.98%	-10.88%	-2.50%	-24.96%	-8.26%
2nd Year	128	172,683.00	4,493,551.97	52	74,734.00	2,183,354.72	149	206,567.70	5,678,082.70	39	53,710.40	1,147,832.43
% Change	-4.69%	16.13%	29.72%	-3.85%	12.18%	14.90%	-4.70%	12.55%	17.02%	-2.56%	24.41%	25.95%
1st Year	122	200,538.90	5,828,899.37	50	83,836.50	2,508,728.17	142	232,491.00	6,644,294.04	38	66,821.00	1,445,677.63
% Change	4.10%	0.35%	5.97%	-2.00%	-35.89%	-2.85%	-3.52%	-3.36%	-3.82%	-2.63%	-3.56%	-4.64%
Test Year	127	201,249.50	6,177,054.63	49	53,743.50	2,437,120.10	137	224,681.20	6,390,675.92	37	64,444.28	1,378,546.03

KENTUCKY POWER COMPANY

Customer Service and Information			Administrative and General			Total		
No.	Hours	Wages	No.	Hours	Wages	No.	Hours	Wages
19	34,126.74	583,043.76	54	94,170.42	2,178,852.39	470	810,445.87	17,880,312.47
-26.32%	-28.47%	-18.28%	-35.19%	-33.70%	-26.84%	-9.15%	-10.01%	-6.39%
14	24,409.24	476,490.63	35	62,433.77	1,594,096.39	427	729,329.19	16,738,188.99
42.86%	43.68%	69.63%	0.00%	-0.64%	5.63%	-0.47%	-0.28%	3.25%
20	35,070.16	808,260.02	35	62,033.16	1,683,886.04	425	727,311.42	17,281,422.89
-60.00%	-58.33%	-40.61%	2.86%	-11.39%	4.11%	-3.06%	-20.63%	-8.94%
8	14,612.50	480,024.57	36	54,966.50	1,753,151.06	412	577,274.10	15,735,997.45
0.00%	-2.33%	4.74%	-5.56%	10.31%	15.45%	-4.37%	14.09%	20.45%
8	14,271.50	502,788.37	34	60,634.50	2,024,068.95	394	658,593.40	18,954,456.53
0.00%	0.27%	-0.77%	5.88%	4.35%	7.88%	-11.17%	-5.60%	0.59%
8	14,310.00	498,921.24	36	63,270.00	2,183,623.26	350	621,698.48	19,065,941.18

Kentucky Power Company

REQUEST

Provide the studies for the test year, including all applicable workpapers, which are the basis of jurisdictional plant allocations and expense account allocations.

RESPONSE

The Company's jurisdictional plant and expense allocation study, with supporting schedules, can be found in the Company's September 26, 2005 filing, Volume 2, Section V, Schedule 5 through Schedule 19.

WITNESS: Errol K Wagner

Kentucky Power Company

REQUEST

Provide a calculation of the rate or rates used to capitalize interest during construction for the test year and the 3 preceding calendar years. Explain each component entering into the calculation of this rate.

RESPONSE

See attached worksheet which includes the June 2005, December 2004, December 2003 and December 2002 AFUDC (Allowance for Funds Used During Construction) rate calculations. The calculations include a description of each component.

WITNESS: R.K. Wohnhas

KENTUCKY POWER COMPANY
 COMPUTATION OF AFUDC RATE
 FOR JUNE 2005

	Capitalization		Cost Rates	S/W	Weighted Cost Rates for Gross Maximum AFUDC Rate
	Amount	Ratio			
Weighted Average Short-Term Debt Balance (S)	<u>0</u>		3.15%	0.00%	0.000000%
				<u>1-S/W</u>	
Long-Term Debt Beg. of Pd. (D)	483,236,925	59.49%	5.40%	100.00%	<u>3.211250%</u>
Total Debt Percentage					<u>3.211250%</u>
Preferred Stock Beg. of Pd. (P)	0	0.00%	0.00%	100.00%	0.000000%
Common Equity Beg. of Pd. (C)	<u>329,043,279</u>	<u>40.51%</u>	9.10%	100.00%	<u>3.686282%</u>
Total Equity Percentage					<u>3.686282%</u>
Total Capitalization	<u>812,280,204</u>	<u>100.00%</u>			
AFUDC Rate - Simple					<u>6.897532%</u>
CWIP Balance	<u>15,510,125</u>				
CPI Rate	<u>0.05397839</u>				

	Annual AFUDC Rate	Monthly Compounded AFUDC Rate
Debt	0.03211250	0.00265831
Equity	0.03686282	0.00304857
CPI	0.05397839	0.00449820

KENTUCKY POWER COMPANY
 COMPUTATION OF AFUDC RATE
 FOR DECEMBER 2004

	<u>Capitalization</u>		<u>Cost Rates</u>	<u>S/W</u>	Weighted Cost Rates for Gross Maximum <u>AFUDC Rate</u>
	<u>Amount</u>	<u>Ratio</u>			
Weighted Average Short-Term Debt Balance (S)	<u>0</u>		1.87%	0.00%	0.000000%
				<u>1-S/W</u>	
Long-Term Debt Beg. of Pd. (D)	503,883,757	61.19%	5.29%	100.00%	<u>3.234684%</u>
Total Debt Percentage					<u>3.234684%</u>
Preferred Stock Beg. of Pd. (P)	0	0.00%	0.00%	100.00%	0.000000%
Common Equity Beg. of Pd. (C)	<u>319,544,254</u>	<u>38.81%</u>	9.10%	100.00%	<u>3.531399%</u>
Total Equity Percentage					<u>3.531399%</u>
Total Capitalization	<u>823,428,011</u>	<u>100.00%</u>			
AFUDC Rate - Simple					<u>6.766083%</u>
CWIP Balance	<u>12,836,289</u>				
CPI Rate	<u>0.05285999</u>				
				Monthly	
	Annual			Compounded	
	AFUDC Rate			AFUDC Rate	
Debt	0.03234684			0.00267758	
Equity	0.03531399			0.00292141	
CPI	0.05285999			0.00440500	

Kentucky Power Company

REQUEST

Provide the following information concerning Kentucky Power and its affiliated Service Corporation:

- a. A schedule detailing the Kentucky Power costs directly charged and allocated to the Service Corporation. Indicate the Kentucky Power accounts where these costs were originally recorded and whether the costs were associated with Kentucky jurisdictional electric operations only, other jurisdictional electric operations only, or total company electric operations. For costs that are allocated, include a description of the allocation factors utilized.
- b. A schedule detailing the Service Corporation costs directly charged and allocated to Kentucky Power. Indicate the Kentucky Power accounts where these costs were recorded and whether the costs were associated with Kentucky jurisdictional electric operations only, other jurisdictional electric operations only, or total company electric operations. For costs that are allocated, include a description of the allocation factors utilized.

RESPONSE

- a. No Kentucky Power costs were directly charged or allocated to the Service Corporation.
- b. Pages 2 through 4 shows, by account, costs directly charged and allocated to Kentucky Power from the Service Corporation for the test year. All costs are total electric company operations.

The costs for services benefiting only one company are directly assigned and are billed 100% to that company. AEPSC directly assigns costs to the extent practicable; however, many AEPSC costs are incurred to perform services that benefit more than one company or function. Costs for these services are allocated to the benefiting companies using an "allocation factor". The allocation factor for any given allocation of costs is selected for use because it best reflects the cost driver associated with the work in question. The SEC approves these formulae and audits the propriety of their use.

The allocation factors used to bill affiliates for services performed by AEPSC are based upon formulae that consider factors such as number of telephones, number of customers, number of employees, total assets, peak load and other criteria. The data upon which these formulae are based is updated monthly, quarterly, semi-annually or annually, depending on the particular formula. The list of approved SEC factors used to allocate costs to affiliates is shown on pages 5 through 8 of this response.

WITNESS: Errol Wagner/Sandra S. Bennett

KENTUCKY POWER COMPANY		
Case No. 2005-00341		
Cost of Service Accounts Billed by AEP Service Corporation		
FERC ACCOUNT	FERC ACCOUNT DESCRIPTION	AMOUNT
5000000	Oper Supervision & Engineering	1,038,882.90
5010000	Fuel	25,202.88
5020000	Steam Expenses	3,873.26
5050000	Electric Expenses	7,260.39
5060000	Misc Steam Power Expenses	278,739.65
5060003	Removal Cost Expense - Steam	319.12
5100000	Maint Supv & Engineering	702,874.36
5110000	Maintenance of Structures	29,643.52
5120000	Maintenance of Boiler Plant	1,071,179.40
5130000	Maintenance of Electric Plant	388,155.57
5140000	Maintenance of Misc Steam Plt	46,667.81
5170000	Oper Supervision & Engineering	820.94
5200000	Steam Expenses	3.40
5350000	Oper Supervision & Engineering	18.42
5550032	Gas-Conversion-Mone Plant	40,031.66
5550034	Pool Purch-Optimization-Affil	450,399.63
5560000	Sys Control & Load Dispatching	254,371.37
5570000	Other Production Expenses	213,688.46
5600000	Oper Supervision & Engineering	300,262.60
5610000	Load Dispatching	423,543.45
5620001	Station Expenses - Nonassoc	502.26
5630000	Overhead Line Expenses	1,971.04
5650002	Transmssn Elec by Others-NAC	580.04
5660000	Misc Transmission Expenses	330,487.56
5680000	Maint Supv & Engineering	88,200.24
5700000	Maint of Station Equipment	67,161.12
5710000	Maintenance of Overhead Lines	7,796.44
5800000	Oper Supervision & Engineering	708,658.16
5810000	Load Dispatching	335,101.90
5820000	Station Expenses	905.78
5830000	Overhead Line Expenses	7,480.16
5840000	Underground Line Expenses	1,388.42
5860000	Meter Expenses	127,907.00
5870000	Customer Installations Exp	26,957.96
5880000	Miscellaneous Distribution Exp	967,756.47
5890001	Rents - Nonassociated	4,661.21
5900000	Maint Supv & Engineering	6,396.76
5920000	Maint of Station Equipment	44,924.25
5930000	Maintenance of Overhead Lines	123,246.45
5940000	Maint of Underground Lines	69.28
5950000	Maint of Lne Trnf,Rglators&Dvi	5,534.86
5970000	Maintenance of Meters	827.22

KENTUCKY POWER COMPANY		
Case No. 2005-00341		
Cost of Service Accounts Billed by AEP Service Corporation		
FERC ACCOUNT	FERC ACCOUNT DESCRIPTION	AMOUNT
5980000	Maint of Misc Distribution Plt	2,911.50
9010000	Supervision - Customer Accts	256,453.66
9020000	Meter Reading Expenses	27,709.08
9020001	Customer Card Reading	37.94
9020002	Meter Reading - Regular	45,041.88
9020003	Meter Reading - Large Power	31,820.53
9030000	Cust Records & Collection Exp	478,718.04
9030001	Customer Orders & Inquiries	2,767,170.85
9030002	Manual Billing	27,875.39
9030003	Postage - Customer Bills	588,908.10
9030004	Cashiering	145,202.35
9030005	Collection Agents Fees & Exp	126,314.62
9030006	Credit & Oth Collection Activi	434,229.92
9030007	Collectors	111,431.85
9030009	Data Processing	71,865.66
9050000	Misc Customer Accounts Exp	15,827.47
9070000	Supervision - Customer Service	211,833.90
9070001	Supervision - DSM	89.76
9080000	Customer Assistance Expenses	20,254.89
9090000	Information & Instruct Advrtis	427.37
9100000	Misc Cust Svc&Informational Ex	1,936.67
9110002	Supervision - Comm & Ind	25.29
9120000	Demonstrating & Selling Exp	748.76
9120003	Demo & Selling Exp - Area Dev	876.08
9200000	Administrative & Gen Salaries	5,921,068.34
9210001	Off Supl & Exp - Nonassociated	514,681.90
9210003	Office Supplies & Exp - Trnsf	604.36
9220000	Administrative Exp Trnsf - Cr	467.34
9220003	Admin Exp Trnsf Non-Utilty Acct	42.09
9230001	Outside Svcs Empl - Nonassoc	594,593.50
9230003	AEPSC Shared Services Billing	4,077,233.15
9250000	Injuries and Damages	606.59
9250001	Safety Dinners and Awards	189.81
9250002	Emp Accdent Prvntion-Adm Exp	5,286.95
9250004	Injuries to Employees	1,037.45
9250007	Prsnal Injries&Prop Dmage-Pub	10.38
9260000	Employee Pensions & Benefits	3.15
9260001	Edit & Print Empl Pub-Salaries	21,791.70
9260002	Pension & Group Ins Admin	0.00
9260006	Physical Examinations	14.82
9260010	Training Administration Exp	56.32
9260014	Educational Assistance Pmts	-120.67

KENTUCKY POWER COMPANY		
Case No. 2005-00341		
Cost of Service Accounts Billed by AEP Service Corporation		
FERC ACCOUNT	FERC ACCOUNT DESCRIPTION	AMOUNT
9260056	Fidelity Stock Option Admin	-2.15
9301000	General Advertising Expenses	273.17
9301004	Newspaper Advertising Prod Exp	17.82
9301006	Spec Corporate Comm Info Proj	1,125.20
9301008	Direct Mail and Handouts	278.06
9301009	Fairs, Shows, and Exhibits	1,837.35
9301010	Publicity	805.44
9301014	Video Communications	169.68
9301015	Other Corporate Comm Exp	12,819.20
9302000	Misc General Expenses	118,976.45
9302003	Corporate & Fiscal Expenses	5,980.96
9302007	Assoc Business Development Exp	66,492.23
9310001	Rents - Real Property	0.00
9310002	Rents - Personal Property	1,016.33
9350000	Maintenance of General Plant	305.43
9350001	Maint of Structures - Owned	29,116.67
9350002	Maint of Structures - Leased	24,743.56
9350012	Maint of Data Equipment	29.59
9350013	Maint of Cmmncation Eq-Unall	3,391.28
9350015	Maint of Office Furniture & Eq	2,754.38
		24,909,862.76

American Electric Power Service Corporation
Allocation Factor Definitions
As of 12/31/2004

No.	Title	Calculation Description	Update Frequency	Remarks
1	Number of Bank Accounts	<u>Number of Bank Accounts Per Company</u> Total Number of Bank Accounts	Semi-Annually	The use of this was replaced by #75 Number of Bank Transactions.
2	Number of Call Center Telephones	<u>Number of Call Center Telephones Per Company</u> Total Number of Call Center Telephones	Semi-Annually	No longer used
3	Number of Cell Phones / Pagers	<u>Number of Cell Phones / Pagers Per Company</u> Total Number of Cell Phones / Pagers	Quarterly	
4	Number of Checks Printed	<u>Number of Checks Printed Per Company Per Month</u> Total Number of Checks Printed Per Month	Monthly	No longer used
5	Number of CIS Customer Mailings	<u>Number of Customer Information System (CIS) Customer Mailings Per Company</u> Total Number of CIS Customers Mailings	Monthly	
6	Number of Commercial Customers	<u>Number of Commercial Customers Per Company</u> Total Number of Commercial Customers	Annually	
7	Number of Credit Cards	<u>Number of Credit Cards Per Company</u> Total Number of Credit Cards	Semi-Annually	No longer used
8	Number of Electric Retail Customers	<u>Number of Electric Retail Customers Per Company</u> Total Number of Electric Retail Customers	Annually	
9	Number of Employees	<u>Number of Full-Time and Part-Time Employees Per Company</u> Total Number of Full-Time and Part-Time Employees	Quarterly	
10	Number of Generating Plant Employees	<u>Number of Generating Plant Employees Per Customer</u> Total Number of Generating Plant Employees	Quarterly	The number of generating employees is now available in #9 Number of Employees. This static has not been used since April 1, 2002.
11	Number of GL Transactions	<u>Number of General Ledger (GL) Transactions Per Company</u> Total Number of GL Transactions	Monthly	
12	Number of Help Desk Calls	<u>Number of Help Desk Calls Per Company</u> Total Number of Help Desk Calls	Monthly	
13	Number of Industrial Customers	<u>Number of Industrial Customers Per Company</u> Total Number of Industrial Customers	Annually	
14	Number of JCA Transactions	<u>Number of Lines of Accounting Distribution on Job Cost Accounting (JCA) Sub-System Per Company</u> Total Number of Lines of Accounting Distribution on JCA Sub-System	Monthly	No longer used
15	Number of Non-UMWA Employees	<u>Number of Non-UMWA or All Non-Union Employees Per Company</u> Total Number of Non-UMWA or All Non-Union Employees	Quarterly	
16	Number of Phone Center Calls	<u>Number of Phone Calls Per Phone Center Per Company</u> Total Number of Phone Center Phone Calls	Monthly	
17	Number of Purchase Orders Written	<u>Number of Purchase Orders Written Per Company</u> Total Number of Purchase Orders Written	Monthly	
18	Number of Radios (Base/Mobile/Handheld)	<u>Number of Radios (Base/Mobile/Handheld) Per Company</u> Total Number of Radios (Base/Mobile/Handheld)	Semi-Annually	
19	Number of Railcars	<u>Number of Railcars Per Company</u> Total Number of Railcars	Annually	
20	Number of Remittance Items	<u>Number of Electric Bill Payments Processed Per Company Per Month (non-lock box)</u> Total Number of Electric Bill Payments Processed Per Month (non-lock box)	Monthly	
21	Number of Remote Terminal Units	<u>Number of Remote Terminal Units Per Company</u> Total Number of Remote Terminal Units	Annually	
22	Number of Rented Water Heaters	<u>Number of Rented Water Heaters Per Company</u> Total Number of Rented Water Heaters	Annually	
23	Number of Residential Customers	<u>Number of Residential Customers Per Company</u> Total Number of Residential Customers	Annually	

American Electric Power Service Corporation
Allocation Factor Definitions
As of 12/31/2004

No.	Title	Calculation Description	Update Frequency	Remarks
24	Number of Routers	<u>Number of Routers Per Company</u> Total Number of Routers	Semi-Annually	No longer used
25	Number of Servers	<u>Number of Servers Per Company</u> Total Number of Servers	Semi-Annually	No longer used
26	Number of Stores Transactions	<u>Number of Stores Transactions Per Company</u> Total Number of Stores Transactions	Monthly	
27	Number of Telephones	<u>Number of Telephones Per Company (includes all phone lines)</u> Total Number of Telephones (includes all phone lines)	Semi-Annually	
28	Number of Transmission Pole Miles	<u>Number of Transmission Pole Miles Per Company</u> Total Number of Transmission Pole Miles	Annually	
29	Number of Transtext Customers	<u>Number of Expected Transtext Customers Per Company</u> Total Number of Expected Transtext Customers	Annually	No longer used
30	Number of Travel Transactions	<u>Number of Travel Transactions Per Company Per Month</u> Total Number of Travel Transactions Per Month	Monthly	
31	Number of Vehicles	<u>Number of Vehicles Per Company (includes fleet and pool cars)</u> Total Number of Vehicles Per Company (includes fleet and pool cars)	Annually	
32	Number of Vendor Invoice Payments	<u>Number of Vendor Invoice Payments Per Company Per Month</u> Total Number of Vendor Invoice Payments Per Month	Monthly	
33	Number of Workstations	<u>Number of Workstations (PCs) Per Company</u> Total Number of Workstations (PCs)	Quarterly	
34	Active Owned or Leased Communication Channels	<u>Number of Active Owned/Leased Communication Channels Per Company</u> Total Number of Active Owned/Leased Communication Channels	Annually	No longer used
35	Avg Peak Load for Past Three Years	<u>Average Peak Load For Past Three Years Per Company</u> Total of Average Peak Load For Past Three Years	Annually	
36	Coal Company Combination	The Sum of Each Coal Company's Gross Payroll, Original Cost of Fixed Assets, Original Cost of Leased Assets, and Gross Revenues For Last Twelve Months The Sum of the Same Factors For All Coal Companies	Semi-Annually	No longer used
37	AEPSC Past 3 Months Total Bill Dollars	<u>AEPSC Past Three Months Total Bill Dollars Per Company</u> Total AEPSC Past Three Months Bill Dollars	Monthly	
38	AEPSC Prior Month Total Bill Dollars	<u>AEPSC Prior Month Total Bill Dollars Per Company</u> AEPSC Total Prior Month Bill Dollars	Monthly	
39	Direct	100% to One Company	Monthly	
40	Equal Share Ratio	<u>One (1)</u> Total Number of Companies	Monthly	
41	Fossil Plant Combination	The Sum of (a) The Percentage Derived by Dividing the Total Megawatt Capability of All Fossil Generating Plants Per Company by the Total Megawatt Capability of All Fossil Generating Plants, and (b) The Percentage Derived by Dividing the Total Scheduled Maintenance Outages of All Fossil Generating Plants Per Company For the Last Three Years by the Total Scheduled Maintenance of All Fossil Generating Plants During the Same Three Years Two (2)	Annually	No longer used
42	Functional Departments Past 3 Months Total Bill Dollars	<u>Functional Department's Past 3 Months Total Bill Dollars per Company</u> Total Functional Department's Past 3 Months Total Bill Dollars	Monthly	No longer used
43	KWH Sales	<u>KWH Sales Per Company</u> Total KWH Sales	Annually	
44	Level of Construction - Distribution	Construction Expenditures for All Distribution Plant Accounts Except Land and Land Rights, Services, Meters, and Leased Property on Customers' Premises, and Exclusive of Construction Expenditures Accumulated on Direct Work Orders for Which Charges by AEPSC are Being Made Separately, Per Company During the Last Twelve Months Total of the Same for All Companies	Semi-Annually	

American Electric Power Service Corporation
 Allocation Factor Definitions
 As of 12/31/2004

No.	Title	Calculation/Description	Update Frequency	Remarks
45	Level of Construction - Production	Construction Expenditures for All Production Plant Accounts Except Land and Land Rights, Nuclear Accounts, and Exclusive of Construction Expenditures accumulated on Direct Work Orders Which Charges by AEPSC are Being Made Separately, <u>Per Company During the Last Twelve Months</u> Total of the Same for All Companies	Semi-Annually	
46	Level of Construction - Transmission	Construction Expenditures for All Transmission Plant Accounts Except Land and Land Rights and Exclusive of Construction Expenditures Accumulated on Direct Work Orders for Which Charges by AEPSC are Being Made Separately, Per Company <u>During the Last Twelve Months</u> Total of the Same for All Companies	Semi-Annually	
47	Level of Construction - Total	Construction Expenditures for All Plant Accounts Except Land and Land Rights, Line Transformer Services, Meters and Leased Property on Customers' Premises; and the Following General Plant Accounts: Structures and Improvements, Shop Equipment, Laboratory Equipment and Communication Equipment; And Exclusive of Construction Expenditures Accumulated on Direct Work Orders for Which Charges by AEPSC are Being Made Separately, <u>Per Company During the Last Twelve Months</u> Total of the Same for All Companies	Semi-Annually	No longer used
48	MW Generating Capability	<u>MW Generating Capability Per Company</u> Total MW Generating Capability	Annually	
49	MWH's Generated	<u>Number of MWH's Generated Per Company</u> Total Number of MWH's Generated	Semi-Annually	
50	Current Year Budgeted Salary Dollars	<u>Current Year Budgeted AEPSC Payroll Dollars Billed Per Company</u> Total Current Year Budgeted AEPSC Payroll Dollars Billed	Annually	No longer used
51	Past 3 Mo. MMBTU's Burned (All Fuel Types)	<u>Past Three Months MMBTU's Burned Per Company (All Fuel Types)</u> Total Past Three Months MMBTU's Burned (All Fuel Types)	Quarterly	
52	Past 3 Mo. MMBTU's Burned (Coal Only)	<u>Past Three Months MMBTU's Burned Per Company (Coal Only)</u> Total Past Three Months MMBTU's Burned (Coal Only)	Quarterly	
53	Past 3 Mo. MMBTU's Burned (Gas Type Only)	<u>Past Three Months MMBTU's Burned Per Company (Gas Type Only)</u> Total Past Three Months MMBTU's Burned (Gas Type Only)	Quarterly	
54	Past 3 Mo. MMBTU's Burned (Oil Type Only)	<u>Past Three Months MMBTU's Burned Per Company (Oil Type Only)</u> Total Past Three Months MMBTU's Burned (Oil Type Only)	Quarterly	No longer used
55	Past 3 mo. MMBTU's Burned (Solid Fuels Only)	<u>Past Three Months MMBTU's Burned Per Company (Solid Fuels Only)</u> Total Past Three Months MMBTU's Burned (Solid Fuels Only)	Quarterly	
56	Peak Load/Avg # Cust/KWH Sales Combination	Average of Peak Load, # of Retail Customers, and <u>KWH Sales to Retail Customers Per Company</u> Total of Average of Peak Load, # of Retail Customers, and KWH Sales to Retail Customers	Annually	No longer used
57	Tons of Fuel Acquired	<u>Number of Tons of Fuel Acquired Per Company</u> Total Number of Tons of Fuel Acquired	Semi-Annually	
58	Total Assets	<u>Total Assets Amount Per Company</u> Total Assets Amount	Quarterly	
59	Total Assets Less Nuclear Plant	<u>Total Assets Amount Less Nuclear Assets Per Company</u> Total Assets Amount Less Nuclear Assets	Quarterly	
60	Total AEPSC Bill Dollars Less Interest and/or Income Taxes and/or other indirect costs	Total AEPSC Bill Dollars Less Interest and/or Income Taxes <u>and/or Other Indirect Costs Per Company</u> Total AEPSC Bill Dollars Less Interest and/or Income Taxes and/or Other Indirect Costs	Annually	
61	Total Fixed Assets	<u>Total Fixed Assets Amount Per Company</u> Total Fixed Assets Amount	Quarterly	
62	Total Gross Revenue	<u>Total Gross Revenue Last Twelve Months Per Company</u> Total Gross Revenue Last Twelve Months	Quarterly	No longer used
63	Total Gross Utility Plant (Including CWIP)	<u>Total Gross Utility Plant Amount Per Company (Including CWIP)</u> Total Gross Revenue Last Twelve Months (Including CWIP)	Quarterly	

American Electric Power Service Corporation
 Allocation Factor Definitions
 As of 12/31/2004

No.	Title	Calculation/Description	Update Frequency	Remarks
64	Total Peak Load (Prior Year)	$\frac{\text{Total Peak Load for Prior Year Per Company}}{\text{Total Peak Load for Prior Year}}$	Annually	This statistic is set for an annual review but may be updated more frequently as new peaks are likely to occur in the Summer as well as the Winter.
65	Hydro MW Generating Capability	$\frac{\text{Hydro MW Generating Capability Per Company}}{\text{Total Hydro MW Generating Capability}}$	Annually	
66	Number of Forest Acres	$\frac{\text{Number of Forest Acres Per Company}}{\text{Total Number of Forest Acres}}$	Annually	
67	Not used	Not Used	N/A	N/A
68	Number of Dams	$\frac{\text{Number of Dams Per Company}}{\text{Total Number of Dams}}$	Annually	
69	Number of Licenses Obtained	$\frac{\text{Number of Licenses Obtained Per Company}}{\text{Total Number of Licenses Obtained}}$	Annually	No longer used
70	Number of Nonelectric OAR Invoices	$\frac{\text{Number of Nonelectric OAR Invoices Per Company}}{\text{Total Number of Nonelectric OAR Invoices}}$	Semi-Annually	
71	Number of Transformer Transactions	$\frac{\text{Number of Transformer Transactions Per Company}}{\text{Total Number of Transformer Transactions}}$	Quarterly	
72	Tons of FGD Material	$\frac{\text{Tons of FGD Material Per Company}}{\text{Total Tons of FGD Material}}$	Semi-Annually	
73	Tons of Limestone Received	$\frac{\text{Tons of Limestone Received Per Company}}{\text{Total Tons of Limestone Received}}$	Semi-Annually	
74	Total Assets + Total Revenues + Total Payroll	$\frac{\text{Total Assets + Total Revenues + Total Payroll Per Company}}{\text{Total Assets + Total Revenues + Total Payroll}}$	Quarterly	
75	Total Leased Assets	$\frac{\text{Total Leased Assets Per Company}}{\text{Total Leased Assets}}$	Quarterly	
76	Number of Banking Transactions	$\frac{\text{Number of Banking Transactions Per Company}}{\text{Number of Banking Transactions}}$	Quarterly	Note: this replaced #1 Number of Bank Accounts

Kentucky Power Company

REQUEST

Provide detailed monthly income statements for each month after the test year, including the month in which the hearing ends, as they become available.

RESPONSE

Attached is a copy of the monthly income statements for the months of July and August 2005 which the Company has already provided to the Commission on a monthly basis.

WITNESS: Errol K. Wagner

SEP - 1 2005



**AMERICAN
ELECTRIC
POWER**

American Electric Power
1 Riverside Plaza
Columbus, OH 43215-2373
aep.com

August 29, 2005

Commonwealth of Kentucky
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

Please find enclosed July 2005 Financial Report pages for Kentucky Power Company consisting of the following:

<u>Page Nos.</u>	<u>Description</u>
1	Income Statement
2	Balance Sheet – Assets & Other Debits
3	Balance Sheet – Liabilities & Other Credits
4	Statement of Retained Earnings
5	Deferred Credits
6-7	Details of Operating Revenues
8	Operating Expenses – Functional Expenses
9-10	Detail Statement of Taxes
11-12	Electric Property & Accum Prov for Depr & Amrtz

Sincerely,

Julie Pierson
Administrator - Regulated Accounting

JP/lck

Enclosure
Cc: Errol Wagner (w/pages)
Kathy Potts

KYP CORP CONSOLIDATED
Comparative Income Statement
July 31, 2005

GLR1100S	ONE MONTH ENDED July 31, 2005	THREE MONTHS ENDED July 31, 2005	YEAR TO DATE July 31, 2005	TWELVE MONTHS ENDED July 31, 2005
DESCRIPTION				
OPERATING REVENUES				
SALES TO NON AFFILIATES	43,012,110.12	117,255,068.49	267,966,065.45	436,630,858.44
SALES TO AFFILIATES	5,441,497.92	13,230,136.81	30,637,986.18	48,440,005.80
GROSS OPERATING REVENUES	48,453,608.04	130,485,205.30	298,604,051.63	485,070,864.23
TOTAL OPERATING REVENUES, NET	48,453,608.04	130,485,205.30	298,604,051.63	485,070,864.23
OPERATING EXPENSES				
OPERATIONS				
FUEL	14,738,679.11	33,603,172.59	73,322,645.83	117,307,282.85
PURCHASED POWER NON AFFIL	588,458.18	1,769,143.27	4,498,125.82	7,060,110.94
PURCHASE POWER AFFILIATED	15,225,293.53	45,054,729.90	100,974,178.95	164,652,562.68
OTHER OPERATION	4,706,647.80	15,429,111.15	34,884,037.32	58,107,579.21
MAINTENANCE	1,567,802.12	7,553,250.90	15,965,844.28	29,204,871.28
TOTAL OPER/MAINT EXPENSES	36,826,880.74	103,409,407.80	229,444,831.98	376,332,406.95
DEPRECIATION AND AMORTIZATION	3,760,297.13	11,252,572.88	26,137,322.51	44,558,522.38
TAXES OTHER THAN INCOME TAXES	732,526.92	2,163,471.75	5,376,616.83	9,064,196.28
STATE, LOCAL & FOREIGN INCOME TAXES	135,820.00	(122,532.00)	565,880.00	(716,222.00)
FEDERAL INCOME TAXES	1,351,523.59	1,725,598.10	5,208,841.07	5,815,786.40
TOTAL OPERATING EXPENSES	42,807,048.38	118,428,518.51	266,733,492.39	435,054,690.02
NET OPERATING INCOME	5,646,559.66	12,056,686.79	31,870,559.24	50,016,174.22
OTHER INCOME AND DEDUCTIONS				
OTHER INCOME	(63,952.88)	(56,015.61)	425,872.71	916,264.70
OTHER INCOME DEDUCTIONS	53,355.89	252,015.24	317,075.36	(70,831.68)
INC TAXES APPL TO OTH INC&DED	22,400.88	(45,294.68)	(186,517.50)	(44,359.27)
NET OTHR INCOME AND DEDUCTIONS	11,803.89	150,704.95	566,530.57	801,073.77
INCOME BEFORE INTEREST CHARGES	5,658,363.55	12,207,391.74	32,427,089.81	50,817,247.98
INTEREST CHARGES				
INTEREST ON LONG-TERM DEBT	2,202,809.52	6,534,254.58	15,568,320.58	26,715,876.12
INT SHORT TERM DEBT - AFFIL	35,497.95	30,221.17	(4,031.31)	(1,385.86)
INT SHORT TERM DEBT - NON-AFFL	7,495.32	80,129.05	220,437.85	380,592.77
AMORT OF DEBT DISC, PREM & EXP	92,116.98	276,909.02	679,395.04	1,141,375.19
AMORT LOSS ON REACQUIRED DEBT	5,615.80	16,847.37	36,310.34	64,388.34
OTHER INTEREST EXPENSE	73,587.85	222,916.51	523,019.02	836,146.00
TOTAL INTEREST CHARGES	2,417,133.40	7,161,277.70	17,011,461.52	29,136,990.56
AFUDC BORROWED FUNDS - CR	(34,302.33)	(90,834.35)	(190,461.73)	(305,571.77)
NET INTEREST CHARGES	2,382,831.07	7,070,443.35	16,820,989.79	28,831,418.79
NET EXTRAORDINARY ITEMS				
NET INCOME BEFORE PEF DIV	3,275,532.48	5,136,948.39	15,606,100.02	21,985,829.19
PREF STK DIVIDEND REQUIREMENT	0.00	0.00	0.00	0.00
NET INCOME - EARN FOR CMMN STK	3,275,532.48	5,136,948.39	15,606,100.02	21,985,829.19

Kentucky Power Company
 Balance Sheet - Assets
 July, 2005

GLR1500S		
DESCRIPTION	MONTH END BALANCES July 31, 2005	DECEMBER BALANCES December 31, 2004
ELECTRIC UTILITY PLANT		
PRODUCTION	467,231,759.20	462,640,781.30
TRANSMISSION	387,860,637.58	385,666,627.94
DISTRIBUTION	449,567,897.04	438,766,381.36
GENERAL	59,607,503.19	57,929,260.63
CONSTRUCTION WORK IN PROGRESS	19,495,287.81	16,544,431.89
TOTAL ELECTRIC UTILITY PLANT	1,383,763,084.81	1,361,547,483.12
LESS ACCUM PRV-DEPR,DEPL,AMORT	(446,467,570.05)	(426,686,943.86)
NET ELECTRIC UTILITY PLANT	937,295,514.77	934,860,539.26
OTHER PROPERTY AND INVESTMENT		
L/T ENERGY TRADING CONTRACTS	35,623,364.45	19,067,031.56
NET NONUTILITY PROPERTY	5,433,940.27	5,438,331.05
TOTAL OTHER INVESTMENTS	350,536.94	421,723.58
TOTAL OTHER PROP AND INVSTMNTS	41,407,841.66	24,927,086.19
CURRENT AND ACCRUED ASSETS		
CASH AND CASH EQUIVALENTS	254,443.43	132,300.72
ADVANCES TO AFFILIATES	3,589,906.89	16,126,733.17
ACCOUNTS RECEIVABLE-CUSTOMERS	18,306,053.26	16,388,055.58
ACCOUNTS RECEIVABLE - MISC	8,488,166.32	5,836,437.53
A/P FOR UNCOLLECTIBLE ACCOUNTS	0.00	(33,658.81)
ACCOUNTS RECEIVABLE- ASSOC COS	20,060,882.64	23,045,902.11
FUEL STOCK	8,595,930.18	6,550,571.42
MATERIALS & SUPPLIES	7,862,881.03	9,385,328.76
ACCRUED UTILITY REVENUES	6,752,905.86	7,340,252.26
ENERGY TRADING CONT CURR ASSET	22,017,151.75	19,845,328.64
PREPAYMENTS	1,464,149.25	819,381.37
OTHER CURRENT ASSETS	9,839,350.22	4,003,080.40
TOTAL CURRENT ASSETS	107,231,820.84	109,439,713.14
REGULATORY ASSETS		
TOTAL REGULATORY ASSETS	129,024,166.59	124,993,760.27
DEFERRED CHARGES		
TOTAL DEFERRED CHARGES	59,533,631.74	66,892,429.67
TOTAL ASSETS	1,274,492,975.59	1,261,113,528.53

Kentucky Power Company
Balance Sheet - Capitalization and Liabilities
July 31, 2005

GLR1700S

DESCRIPTION	MONTH END BALANCES	DECEMBER BALANCES
	July 31, 2005	December 31, 2004
CAPITALIZATION		
COMMON STOCK		
Authorized: 2,000,000 Shares		
Outstanding: 1,009,000 Shares		
COMMON STOCK	50,450,000.00	50,450,000.00
PAID-IN CAPITAL	197,932,283.06	199,975,030.34
RETAINED EARNINGS	86,161,379.97	70,555,279.95
COMMON SHAREHOLDERS' EQUITY	334,543,663.03	320,980,310.29
LT DEBT (LESS AMT DUE IN 1 YR)		
LONG-TERM DEBT LESS AMT DUE 1 YR	447,723,898.63	508,310,302.15
TOTAL CAPITALIZATION	782,267,359.66	829,290,612.44
OTHER NONCURRENT LIABILITIES		
OBLIGATIONS UNDER CAP LEASE	2,296,447.10	2,801,940.69
ACCUMULATED PROVISIONS - MISC	12,456,876.97	17,729,189.84
TOTAL OTH NONCURRENT LIAB'S	14,753,324.07	20,531,130.53
CURRENT LIABILITIES		
LONG-TERM DEBT DUE WITHIN 1 YR	40,000,000.00	0.00
ADVANCES FROM AFFILIATES	0.00	0.00
A/P - GENERAL	25,739,958.26	20,080,482.71
A/P- ASSOC. COS.	27,313,106.14	24,899,024.46
CUSTOMER DEPOSITS	14,798,194.88	12,308,487.42
TAXES ACCRUED	9,938,147.96	9,248,178.82
INTEREST ACCRUED	5,577,091.87	6,754,332.86
DIVIDENDS DECLARED	0.00	0.00
OBLIG UNDER CAP LEASES- CURR	1,332,594.93	1,560,983.37
ENERGY TRADING CONT CURR LIAB	23,488,704.06	17,205,428.19
OTHR CURR & ACCRUED LIAB	8,441,277.31	9,036,484.73
TOTAL CURRENT LIABILITIES	156,629,075.40	101,093,402.56
DEF CREDITS & REGULATORY LIAB		
DEFERRED INCOME TAXES	262,974,537.76	267,046,884.78
DEF INVESTMENT TAX CREDITS	6,040,094.19	6,721,725.00
REGULATORY LIABILITIES	24,151,356.77	22,209,994.15
DEFERRED CREDITS		
LT ENERGY TRADING CONTRACTS	27,199,536.45	13,484,349.55
CUSTOMER ADVANCES FOR CONSTR	55,731.05	59,971.16
DEF GAINS ON SALE/LEASEBACK	0.00	0.00
DEF GAINS-DISP OF UTILITY PLT	0.00	0.00
OTHER DEFERRED CREDITS	421,960.24	675,458.35
TOTAL OTHER DEFERRED CREDITS	27,677,227.74	14,219,779.06
TOTAL DEF CREDITS & REG LIAB'S	320,843,216.46	310,198,382.99
TOTAL CAPITAL & LIABILITIES	1,274,492,975.59	1,261,113,528.53

Kentucky Power Company
Statement of Retained Earnings
July 31, 2005

GLR1710S			
ACCOUNT NUMBER	DESCRIPTION	MONTH END BALANCES July 31, 2005	DECEMBER BALANCES December 31, 2004
	BALANCE AT BEGINNING OF YEAR	70,555,279.95	64,150,582.93
	NET INCOME (LOSS)	15,606,100.02	25,904,691.56
	TOTAL	86,161,379.97	90,055,274.49
	DEDUCTIONS:		
4380001	Div Declrd - Common Slk - Asso	0.00	(19,499,994.54)
	DIVIDEND DECLARED ON COMMON	0.00	(19,499,994.54)
	ADJUSTMENT RETAINED EARNINGS	0.00	0.00
	TOTAL DEDUCTIONS	0.00	(19,499,994.54)
	BALANCE AT END OF PERIOD (A)	86,161,379.97	70,555,279.95
	(A) REPRESENTS THE FOLLOWING -		
	BALANCE AT END OF PERIOD		
2150000	Appropriated Retained Earnings	0.00	0.00
2151000	Appr Retnd Erngs - Amrt Rsv, Fed	0.00	0.00
	TOTAL APPR RETND ERNGS	0.00	0.00
2160001	Unapprp Retained Earnings Unrestr	70,555,279.95	64,150,582.93
2160002	Unapprp Retained Earnings Restr	0.00	0.00
	Net Income Transferred	15,606,100.02	6,404,697.02
	TOTAL UNAPPR RETND ERNGS	86,161,379.97	70,555,279.95
216.1	Unapprp Undistribtd Sub Erngs	0.00	0.00
	Equity Erngs of Subsidiary Co	0.00	0.00
	TOTAL UNAPPR UNDISR SUB ERNGS	0.00	0.00
	TOTAL RETAINED EARNINGS	86,161,379.97	70,555,279.95

KPSC Case No. 2005-00341
 Commission Staff 1st Set Data Requests
 Order dated September 21, 2005
 Item No. 43
 Page 7 of 30

Kentucky Power Company
Deferred Credits
July 31, 2005

GLR1860S

ACCOUNT NUMBER	DESCRIPTION	MONTH END BALANCES July 31, 2005	DECEMBER BALANCES December 31, 2004
	ENERGY TRADING CONTRACTS		
2440002	LT Unreal Losses - Non Affil	25,200,487.65	12,348,284.56
2440004	LT Unreal Losses - Affil	1,687,692.00	777,254.00
2440010	L/T Option Premium Receipts	37,118.80	0.00
2450002	LT Unreal Losses - Hedge	0.00	358,810.99
2450011	L/T Liability-Commodity Hedges	118,348.00	0.00
2450017	Deriv-Hdg-Unreal Ls-FV-Int-LT	155,890.00	0.00
	LT ENERGY TRADING CONTRACTS	27,199,536.45	13,484,349.55
	CUSTOMER ADVANCES FOR CONSTRUCTION		
2520000	Customer Adv for Construction	55,731.05	59,971.16
	TOTAL CUST ADVANCES FOR CONSTR	55,731.05	59,971.16
	DEFERRED GAIN ON SALE/LEASEBACK		
	TOTAL DEF GAIN ON SALE/LSEBCK	0.00	0.00
	DEFERRED GAIN ON DISP OF UTIL PLT		
	TOTAL DEF GAINS-DISP UTIL PLT		
	OTHER DEFERRED CREDITS		
2530000	Other Deferred Credits	0.00	0.00
2530001	Deferred Revenues	217,252.35	207,366.88
2530004	Allowances	0.00	598.08
2530021	Unidentified Cash Receipts	0.00	6,669.21
2530050	T.V. Pole Attachments	17,403.42	67,773.84
2530092	Defd Gain - Fiber Optic Leases	188,051.81	189,238.45
2530093	Def Carry Chg - Defd RTO Costs	0.00	203,811.89
2530101	MACSS Unidentified EDI Cash	(747.34)	0.00
	TOTAL OTHER DEFERRED CREDITS	421,960.24	675,458.35
	ACCUM DEFERRED INCOME TAXES		
2811001	Acc Dfd FIT - Accel Amort Prop	21,728,000.70	19,268,200.70
2821001	Accum Defd FIT - Utility Prop	110,209,056.56	110,357,019.84
2823001	Acc Dfrd FIT FAS 109 Flow Thru	51,713,576.50	50,919,107.73
2824001	Acc Dfrd FIT - SFAS 109 Excess	(1,756,973.00)	(1,929,320.00)
2830006	ADIT Federal - SFAS 133 Nonaff	15,436.00	1,326,444.72
2830015	ADIT-Fed-Hdg-CF-Int Rate	104,644.71	0.00
2831001	Accum Deferred FIT - Other	12,655,911.86	14,201,796.23
2832001	Accum Dfrd FIT - Oth Inc & Ded	2,200,113.38	2,152,005.45
2833001	Acc Dfd FIT FAS 109 Flow Thru	37,764,771.05	38,652,630.11
2833002	Acc Dfrd SIT FAS 109 Flow Thru	28,340,000.00	32,099,000.00
	TOTAL ACCUM DEF INC TAX-CREDIT	262,974,537.76	267,046,884.78
	ACCUM DEFERRED INVEST TAX CREDITS		
2550001	Accum Deferred ITC - Federal	6,040,094.19	6,721,725.00
	TOTAL ACCUM DEF INVEST TAX CR	6,040,094.19	6,721,725.00
	REGULATORY LIAB'S	24,151,356.77	22,209,994.15
	TOTAL DEFERRED CREDITS & REG LIAB	320,843,216.46	310,198,382.99

Kentucky Power Company
Operating Revenues
July 31, 2005

GLR1110S

ACCOUNT NUMBER	DESCRIPTION	OPERATING REVENUES			
		ONE MONTH ENDED July 31, 2005	THREE MONTHS ENDED July 31, 2005	YEAR TO DATE July 31, 2005	TWELVE MONTHS ENDED July 31, 2005
SALES OF ELECTRICITY					
RETAIL SALES					
4400001	Residential Sales-W/Space Hg	7,743,302.25	17,947,232.48	53,308,563.13	86,692,126.55
4400002	Residential Sales-W/O Space Hl	5,606,768.80	12,286,082.49	27,858,115.30	46,521,604.41
	Residential Sales	13,350,071.05	30,233,314.97	81,166,678.43	133,213,730.96
4420001	Commercial Sales	6,303,442.74	16,112,506.79	34,805,791.68	58,864,394.12
4420002	Industrial Sales (Excl Mines)	6,586,874.48	19,160,235.09	42,295,366.59	71,842,421.98
4420004	Ind Sales-NonAffil(Incl Mines)	3,630,151.92	12,237,238.32	28,133,574.24	47,960,440.69
4420006	Sales to Pub Auth - Schools	812,282.97	2,380,860.38	5,905,909.66	10,314,784.86
4420007	Sales to Pub Auth - Ex Schools	988,639.20	2,596,640.97	6,616,858.98	9,518,349.24
	COMMERCIAL & INDUSTRIAL SALES	18,321,291.31	52,487,481.55	116,757,501.15	198,498,390.89
	SALES - AFFILIATED	0.00	0.00	0.00	0.00
4440000	Public Street/Highway Lighting	79,386.80	238,063.68	566,433.79	999,758.91
	Public & Other Sales	79,386.80	238,063.68	566,433.79	999,758.91
	TOTAL RETAIL SALES	31,750,749.16	82,958,660.20	188,490,613.37	332,711,878.76
SALES FOR RESALE					
4470002	Sales for Resale - NonAssoc	2,676,018.11	7,842,162.95	19,179,464.51	26,437,604.15
4470004	Sales for Resale-Nonaff-Ancill	2,598.42	7,160.48	17,552.33	160,026.71
4470005	Sales for Resale-Nonaff-Transm	68,209.39	208,680.72	485,822.73	2,286,566.79
4470006	Sales for Resale-Bookout Sales	34,683,179.33	83,714,107.54	226,227,405.09	398,671,327.66
4470007	Sales for Resale-Oplion Sales	123,921.94	552,860.12	2,269,863.11	6,240,782.70
4470010	Sales for Resale-Bookout Purch	(34,398,280.72)	(82,255,452.05)	(224,052,343.62)	(394,091,689.42)
4470011	Sales for Resale-Oplion Purch	(138,446.42)	(270,807.90)	(821,996.55)	(4,477,921.85)
4470026	Sale for Resal - Real from East	(1,005,389.00)	(1,675,167.00)	(2,411,164.00)	(2,411,164.00)
4470027	Whsal/Muni/Pb Ath Fuel Rev	164,045.57	403,593.54	932,109.12	1,518,910.37
4470028	Sale/Resale - NA - Fuel Rev	2,226,043.64	4,936,441.38	17,322,194.03	36,945,583.20
4470033	Whsal/Muni/Pub Auth Base Rev	169,940.24	443,388.81	1,051,005.52	1,755,215.37
4470064	Purch Pwr PhysTrad - Non Assoc	(339,736.68)	(1,457,874.85)	(6,932,331.24)	(13,616,645.85)
4470066	PWR Trading Trans Exp-NonAssoc	(57,406.00)	(124,595.00)	(191,220.19)	(431,642.19)
4470072	Sales for Resale - Hedge Trans	(558,572.00)	(486,746.00)	(1,103,746.00)	(1,966,060.00)
4470077	Purchase Gas Conv - Affil	0.00	0.00	0.00	0.00
4470081	Financial Spark Gas - Realized	889,635.22	1,233,437.27	284,107.98	(2,223,948.98)
4470082	Financial Electric Realized	(204,032.63)	(682,654.72)	(691,319.15)	(839,582.53)
4470085	Purchased Power - Dow - Assoc	0.00	0.00	0.00	(43,684.95)
4470089	PJM Energy Sales Margin	1,592,201.09	3,150,656.58	4,831,495.10	5,099,380.45
4470090	PJM Spot Energy Purchases	(1,578,506.51)	(3,532,462.00)	(13,933,568.71)	(21,608,061.48)
4470091	PJM Explicit Congestion Cost	(28,517.61)	(46,002.52)	(56,575.30)	(190,855.53)
4470092	PJM Implicit Congestion-OSS	(308,634.87)	(387,364.38)	(779,189.60)	(1,103,053.04)
4470093	PJM Implicit Congestion-LSE	(2,380,275.78)	(3,754,184.63)	(5,660,185.55)	(6,977,883.91)
4470094	PJM Transm. Loss - OSS	(2,019.59)	(4,401.24)	(12,540.40)	(27,389.64)
4470095	PJM Ancillary Serv.-Reg	57,879.59	450,938.11	538,329.74	688,500.61
4470096	PJM Ancillary Serv.-Spin	2,205.03	2,677.91	3,272.12	4,559.73
4470098	PJM Oper.Reserve Rev-OSS	26,758.15	193,748.99	379,540.02	421,992.66
4470099	PJM Capacity Cr. Net Sales	0.00	21.80	155.02	1,084.11
4470100	PJM FTR Revenue-OSS	389,452.47	683,117.52	707,190.44	787,832.87
4470101	PJM FTR Revenue-LSE	3,608,808.22	5,606,938.16	7,177,204.72	7,996,680.34
4470103	PJM Energy Sales Cost	4,836,112.88	13,536,025.41	30,763,925.40	41,511,226.31
4470106	PJM PI2PI Trans.Purch-NonAff.	(11,508.89)	(17,296.40)	26,912.84	(400,412.18)
4470107	PJM NITS Purch-NonAff.	465.47	959.67	5,182.77	3,947.01
4470108	PJM Oper.Reserve Rev-LSE	(364,834.62)	(729,041.75)	(1,255,081.57)	(1,361,957.27)
4470109	PJM FTR Revenue-Spec	11,500.76	13,783.22	13,783.22	13,783.22
4470110	PJM TO Admin. Exp.-NonAff.	(4,247.18)	(6,068.43)	(32,150.96)	(42,680.22)
4470112	Non-ECR Phys. Sales-OSS	1,177,377.79	1,748,102.93	3,045,432.99	4,178,461.69
4470114	PJM Transm. Loss - LSE	(13,935.56)	(28,794.03)	(63,506.47)	(135,281.20)
4470115	PJM Meter Corrections-OSS	1,535.92	(9,379.73)	(20,955.41)	(17,934.12)
4470116	PJM Meter Corrections-LSE	13,371.87	(64,983.47)	(135,682.92)	(122,955.57)

KPSC Case No. 2005-00341
 Commission Staff 1st Set Data Requests
 Order dated September 21, 2005
 Item No. 43
 Page 9 of 30

Kentucky Power Company
Operating Revenues
July 31, 2005

GLR1110S

ACCOUNT NUMBER	DESCRIPTION	OPERATING REVENUES			
		ONE MONTH ENDED July 31, 2005	THREE MONTHS ENDED July 31, 2005	YEAR TO DATE July 31, 2005	TWELVE MONTHS ENDED July 31, 2005
4470117	Realiz. Sharing-447 OpUm	118,854.00	394,895.00	1,792,956.00	1,792,956.00
4470118	Realiz. Sharing-PJM OSS	82,085.00	80,081.00	100,779.00	100,779.00
4470119	PJM SECA Transm. Expense	(143,780.62)	(442,594.74)	(1,131,238.74)	(1,131,238.74)
4470124	PJM Incremental Spot-OSS	(39,095.35)	(39,554.88)	(58,044.01)	(58,044.01)
4470125	PJM Incremental Exp Cong-OSS	(16,648.97)	(28,084.47)	(62,425.27)	(62,425.27)
4470126	PJM Incremental Imp Cong-OSS	(153,340.26)	(330,519.58)	(343,916.24)	(343,916.24)
4470131	Non ECR Purchased Power OSS	(1,505,925.30)	(2,007,414.38)	(2,765,131.75)	(2,765,131.75)
4470132	Spark Gas - Realized	(81,273.60)	(427,115.53)	502,948.88	502,948.88
	SALES FOR RESALE-NONAFFILIATED	9,587,799.74	26,397,219.41	55,134,327.02	79,568,589.90
4470001	Sales for Resale - Assoc Cos	289,318.15	767,763.21	1,163,379.02	1,594,084.34
4470014	Sls Resale-Ancillary Trans-Aff	0.00	0.00	0.00	4,651.97
4470015	Sls Resale-Transmission-Affil	0.00	0.00	0.00	50,537.00
4470035	Sls for Rsl - Fuel Rev - Assoc	261,852.08	791,854.54	1,741,705.77	3,262,263.06
4470086	Sales for Resale-Affil Pool	0.00	0.00	0.00	15,561,306.85
4470088	Pool Sales to Dow Plt- Affil	3,358.58	4,173.73	8,193.62	74,533.76
4470128	Sales for Res-Aff, Pool Energy	4,861,663.00	11,590,427.00	27,547,565.00	27,547,565.00
	SALES FOR RESALE-AFFILIATED CO	5,416,191.81	13,154,218.48	30,460,843.41	48,084,842.78
	TOTAL SALES FOR RESALE	15,003,991.55	39,551,437.89	85,595,170.43	127,653,532.87
	TOTAL SALES OF ELECTRICITY	48,754,740.71	122,510,298.09	284,085,783.80	460,375,411.43
	TOTAL SLS OF ELECT AFT RFD PROV	46,754,740.71	122,510,298.09	284,085,783.80	460,375,411.43
	OTHER OPERATING REVENUE				
4560007	Oth Elect Rev - DSM Program	56,386.15	155,370.80	(2,806,073.35)	(2,131,861.97)
4560012	Oth Elect Rev - Nonaffiliated	(1,977.97)	12,834.46	12,834.46	12,834.46
4560013	Oth Elect Rev-Trans-Nonaffil	30,525.64	38,845.99	52,381.99	1,881,452.02
4560014	Oth Elect Revenues - Ancillary	4,822.53	4,822.53	4,822.53	164,881.95
4560015	Other Electric Revenues - ABD	30,683.75	434,227.94	808,560.26	2,193,288.69
4560016	Financial Trading Rev-Unreal	(0.02)	0.01	0.00	0.02
4560041	Miscellaneous Revenue-NonAffil	0.00	0.00	8,282.87	42,771.18
4560049	March Generation Finan -Realizd	(243,420.24)	(568,632.18)	1,036,204.50	113,992.65
4560050	Oth Elec Rev-Coal Trd Rtdz G-L	(6,042.03)	(7,605.44)	79,135.96	2,470,344.59
4560058	PJM NITS Revenue-NonAff.	277,685.60	760,853.27	1,684,639.75	2,690,282.45
4560060	PJM Pl2Pl Trans.Rev.-NonAff.	92,624.42	307,064.64	630,346.02	1,541,412.63
4560062	PJM TO Admin. Rev.-NonAff.	20,825.78	59,303.05	144,703.33	203,610.14
4560064	Buckeye Admin. Fee Revenue	11,259.24	29,579.26	70,528.93	97,480.41
4560067	OthElecRev Phys Coal Purch Exp	0.00	0.00	0.00	(2,391,294.24)
4560068	SECA Transmission Revenue	1,050,870.97	3,007,691.53	6,531,094.24	7,354,998.48
4560085	PJM Expansion Cost Recov	3,023.88	3,023.88	3,023.88	3,023.88
	OTHER ELECTRIC REVENUES	1,327,267.60	4,237,389.74	8,460,485.37	14,247,217.54
4540001	Rent From Elect Property - Af	25,306.11	75,918.33	177,142.77	345,063.02
4540002	Rent From Elect Property-NAC	230,519.97	675,568.12	1,556,000.11	2,629,037.85
4540004	Rent From Elect Prop-ABD-Nonaf	3,108.20	18,222.60	41,378.60	82,660.60
	RENT FROM ELEC PROPERTY	258,934.28	769,709.05	1,774,521.48	3,058,761.47
4500000	Forfeited Discounts	105,353.45	282,626.52	917,757.00	1,468,409.51
4510001	Misc Service Rev - Nonaffil	6,286.47	25,672.59	65,058.11	231,550.19
4510007	Service Rev-Indirect Cost-NAC	489.03	489.03	489.03	489.03
	MISC REVENUES	112,128.95	319,588.14	983,304.14	1,700,448.73
4118000	Gain Disposition of Allowances	536.50	2,647,820.28	3,308,958.00	5,700,399.02
4119000	Loss Disposition of Allowances	0.00	0.00	(9,001.15)	(9,373.95)
	GAIN (LOSS) DISPOS ALLOWANCES	536.50	2,647,820.28	3,299,956.85	5,691,025.07
	TOTAL OTHER OPERATING REVENUE	1,698,867.33	7,974,907.21	14,518,267.84	24,695,452.80
	GROSS OPERATING REVENUES	48,453,808.04	130,485,205.30	298,604,051.63	485,070,864.23
	NET OPERATING REVENUES	48,453,608.04	130,485,205.30	298,604,051.63	485,070,864.23

KPSC Case No. 2005-00341
Commission Staff 1st Set Data Requests
Order dated September 21, 2005
Item No. 43
Page 10 of 30

Kentucky Power Company
Operating Expenses - Functional
July 31, 2005

GLR1130S	ONE MONTH ENDED July 31, 2005	THREE MONTHS ENDED July 31, 2005	YEAR TO DATE July 31, 2005	TWELVE MONTHS ENDED July 31, 2005
DESCRIPTION				
POWER PRODUCTION EXPENSES				
STEAM POWER GENERATION				
FUEL	14,738,679.11	33,603,172.59	73,322,645.83	117,307,282.85
Operation - Other Than Fuel	1,186,191.68	3,494,687.99	7,189,708.75	12,426,302.56
Steam Power Operation	15,924,870.79	37,097,860.58	80,512,354.58	129,733,585.40
Steam Power Maintenance	398,821.74	3,403,617.79	6,769,811.97	12,216,700.15
TOTAL STEAM POWER GENERATION	16,323,692.53	40,501,478.37	87,282,166.65	141,950,285.55
OTHER POWER GENERATION				
OTHER POWER - OPERATION	0.00	0.00	0.00	0.00
OTHER POWER - MAINTENANCE	590.16	590.16	590.16	590.16
TOTAL OTHER POWER GENERATION	590.16	590.16	590.16	590.16
OTHER POWER SUPPLY EXPENSES				
PURCHASED POWER	15,813,751.71	46,823,873.17	105,472,304.57	171,712,673.62
System Control & load Dispatch	299,400.33	858,374.87	2,183,809.44	3,090,454.34
Other Expenses	305,985.79	1,156,998.53	2,631,771.34	3,730,794.14
TOTAL OTHER POWER SUPPLY EXPS	16,419,137.83	48,839,246.57	110,287,885.35	178,533,922.10
TOTAL POWER PROD EXPS-OPER	32,344,008.62	85,937,107.15	190,800,239.93	308,267,507.61
TOTAL POWER PROD EXPS-MAINT	399,411.90	3,404,207.95	6,770,402.13	12,217,290.31
TOTAL POWER PROD EXPENSES	32,743,420.52	89,341,315.10	197,570,642.06	320,484,797.82
TRANSMISSION EXPENSES				
Transmission - Operation	(130,728.15)	(148,414.86)	(400,825.65)	(1,699,731.24)
Transmission - Maintenance	272,076.29	822,550.45	1,495,074.60	2,257,987.70
TOTAL TRANSMISSION EXPENSES	141,348.14	674,135.59	1,094,248.96	558,256.45
DISTRIBUTION EXPENSES				
DISTRIBUTION - OPERATION	583,564.97	1,784,307.92	3,940,313.46	6,366,355.45
DISTRIBUTION - MAINTENANCE	782,135.08	2,981,655.10	6,719,772.42	13,027,189.98
TOTAL DISTRIBUTION EXPENSES	1,365,700.05	4,765,963.03	10,660,085.88	19,393,545.44
TOTAL CUSTOMER ACCT EXPENSES	604,357.05	1,560,844.60	4,356,661.26	8,170,524.53
TOTAL CUST SERV&INFO EXPENSES	98,872.09	287,265.29	858,788.43	1,385,455.72
TOTAL SALES EXPENSES	64.45	202.07	618.22	5,179.38
ADMINISTRATIVE & GENERAL EXPS				
Admins & General - Operations	1,543,657.65	5,778,019.47	12,261,986.81	21,934,998.19
Admin & General - Maintenance	114,178.85	344,837.40	980,595.12	1,702,403.29
TOTAL ADMIN & GENERAL EXPS	1,657,836.50	6,122,856.86	13,242,581.93	23,637,402.48
TOTAL FACTORED ACCTS REC EXPS	215,387.45	657,141.77	1,661,943.76	2,698,447.60
TOTAL ACCRETION EXPENSE	0.00	0.00	0.00	0.00
(GAIN) LOSS				
GAINS FROM DISPOSAL OF UT PLT	(105.50)	(316.50)	(738.50)	(1,202.45)
TOTAL (GAIN) LOSS	(105.50)	(316.50)	(738.50)	(1,202.45)
TOTAL OPERATION EXPENSES	35,259,078.62	95,856,156.91	213,478,987.72	347,127,535.68
TOTAL MAINTENANCE EXPENSES	1,667,802.12	7,553,250.90	15,955,844.25	29,204,871.28
TOTAL OPERATION & MAINT EXPS	36,926,880.74	103,409,407.80	229,444,831.98	376,332,406.95

Kentucky Power Company
Taxes Applicable To Operating Income
July 31, 2005

GLR1170S

ACCOUNT NUMBER	DESCRIPTION	ONE MONTH ENDED July 31, 2005	THREE MONTHS ENDED July 31, 2005	YEAR TO DATE July 31, 2005	TWELVE MONTHS ENDED July 31, 2005
OTHER TAXES-FEDERAL & STATE					
4081002	FICA	183,111.10	536,704.63	1,407,392.13	2,207,441.81
4081003	Federal Unemployment Tax	108.85	326.01	25,340.68	26,072.85
408100500	Real & Personal Property Taxes	0.00	0.00	0.00	0.00
408100501	Real & Personal Property Taxes	0.00	0.00	0.00	0.00
408100502	Real & Personal Property Taxes	0.00	0.00	(1,990.43)	(1,990.43)
408100503	Real & Personal Property Taxes	0.00	(74,764.62)	(74,764.62)	2,781,870.02
408100504	Real & Personal Property Taxes	586,293.00	1,758,879.00	4,104,641.11	4,105,526.07
4081007	State Unemployment Tax	69.20	243.26	20,061.26	20,458.31
408100802	State Franchise Taxes	0.00	0.00	0.00	0.00
408100803	State Franchise Taxes	0.00	0.00	0.00	13,933.00
408100804	State Franchise Taxes	0.00	0.00	0.00	47,780.00
408100805	State Franchise Taxes	14,150.00	29,750.00	60,950.00	60,950.00
408101702	St Lic/Rgstrtion Tax/Fees	0.00	0.00	0.00	0.00
408101703	St Lic/Rgstrtion Tax/Fees	0.00	0.00	0.00	0.00
408101704	St Lic/Rgstrtion Tax/Fees	0.00	0.00	0.00	100.00
408101705	St Lic/Rgstrtion Tax/Fees	505.00	505.00	555.00	555.00
408101803	St Publ Serv Comm Tax/Fees	0.00	0.00	0.00	0.00
408101804	St Publ Serv Comm Tax/Fees	0.00	84,064.86	252,204.88	462,379.86
408101904	State Sales and Use Taxes	0.00	0.00	157.40	214.19
408102902	Real/Pers Prop Tax-Cap Leases	0.00	0.00	0.00	0.00
408102903	Pers Prop Tax-Cap Leases	0.00	0.00	0.00	0.00
408102904	Real/Pers Prop Tax-Cap Leases	459.26	459.26	459.26	75,630.91
408102905	Real/Pers Prop Tax-Cap Leases	14,576.00	43,728.00	102,032.00	102,032.00
4081033	Fringe Benefit Loading - FICA	(65,884.83)	(214,383.63)	(516,109.34)	(832,053.20)
4081034	Fringe Benefit Loading - FUT	(1,031.25)	(2,921.15)	(6,646.82)	(12,412.42)
4081035	Fringe Benefit Loading - SUT	(745.40)	(1,866.88)	(4,077.67)	(5,845.98)
408103604	Real Prop Tax-Cap Leases	0.00	0.00	0.00	5,142.29
408103605	Real Prop Tax-Cap Leases	916.00	2,748.00	6,412.00	6,412.00
	TOTAL OTHER TAXES-FED & STATE	732,526.92	2,163,471.75	5,376,616.83	9,064,196.28
STATE, LOCAL & FOREIGN INC TAX					
409100200	Income Taxes, UOI - State	0.00	0.00	42,337.00	42,337.00
409100201	Income Taxes, UOI - State	0.00	0.00	62,635.00	62,635.00
409100202	Income Taxes, UOI - State	0.00	0.00	46,320.00	46,320.00
409100203	Income Taxes, UOI - State	0.00	0.00	0.00	(1,202,807.00)
409100204	Income Taxes, UOI - State	0.00	0.00	0.00	(79,295.00)
409100205	Income Taxes, UOI - State	135,820.00	(122,532.00)	404,748.00	404,748.00
409100299	Income Taxes, UOI - State	0.00	0.00	9,840.00	9,840.00
	TOTAL ST, LOC & FOR INC TAXES	135,820.00	(122,532.00)	565,880.00	(716,222.00)
FEDERAL INCOME TAXES					
4091001	Income Taxes, UOI - Federal	1,921,668.65	922,733.88	4,297,531.08	(4,100,914.29)
4101001	Prov Def I/T Util Op Inc-Fed	1,579,378.77	5,711,486.39	14,326,751.85	2,892,274.15
4111001	Prv Def I/T-Cr Util Op Inc-Fed	(2,052,148.00)	(4,616,494.68)	(12,733,811.05)	8,257,273.35
4114001	ITC Adj, Utility Oper - Fed	(97,375.83)	(292,127.49)	(681,630.81)	(1,232,846.81)
	TOTAL FEDERAL INCOME TAXES	1,351,523.59	1,725,598.10	5,208,841.07	5,815,786.40
	TOTAL TAXES APPLIC TO OPER INC	2,219,870.51	3,766,537.85	11,151,337.90	14,163,760.68

Kentucky Power Company
Taxes Applicable to Other Income & Deductions
July 31, 2005

GLR1210S

ACCOUNT NUMBER	DESCRIPTION	ONE MONTH ENDED July 31, 2005	THREE MONTHS ENDED July 31, 2005	YEAR TO DATE July 31, 2005	TWELVE MONTHS ENDED July 31, 2005
	TAXES OTHER THAN INC TAX				
408201404	St Lic/Rgstrtion Tax/Fees	0.00	0.00	0.00	0.00
	TOTAL TAXES OTHER THAN INC TAX	0.00	0.00	0.00	0.00
	FEDERAL INC TAXES - OI&D				
4092001	Inc Tax, Oth Inc&Ded-Federal	103,418.98	343,610.18	(103,678.78)	1,713,814.83
4102001	Prov Def I/T Oth I&D - Federal	165,851.70	433,865.25	1,569,026.87	(12,037,063.88)
4112001	Prv Def I/T-Cr Oth I&D-Fed	(291,671.54)	(732,180.75)	(1,278,830.59)	10,367,608.32
4115001	ITC Adj, Non-Util Oper - Fed	0.00	0.00	0.00	0.00
	TOTAL FEDERAL INC TAXES - OI&D	(22,400.86)	45,294.68	186,517.50	44,359.27
	STATE INC TAXES - OI&D				
	TOTAL STATE INC TAXES - OI&D				
	LOCAL INC TAXES - OI&D				
	TOTAL LOCAL INC TAXES - OI&D				
	FOREIGN INC TAXES - OI&D				
	TOTAL FOREIGN INC TAXES - OI&D				
	TOTAL TAXES APPLICABLE TO OI&D	(22,400.86)	45,294.68	186,517.50	44,359.27

KPSC Case No. 2005-00341
 Commission Staff 1st Set Data Requests
 Order dated September 21, 2005
 Item No. 43
 Page 13 of 30

KENTUCKY POWER COMPANY
 DETAIL OF ELECTRIC UTILITY PROPERTY
 YEAR TO DATE - July, 2005

KPSC Case No. 2005-00341
 Commission Staff 1st Set Data Requests
 Order dated September 21, 2005
 Item No. 43
 Page 14 of 30

GLR7210V

		BEGINNING BALANCE	ADDITIONS	ORIGINAL COST RETIREMENTS	ADJUSTMENTS	TRANSFERS	ENDING BALANCE
UTILITY PLANT							
101/106	GENERATION	464,497,613.26	7,080,784.61	(1,139,479.80)	0.00	(186,729.00)	470,252,189.27
	TOTAL PRODUCTION	464,497,613.26	7,080,784.61	(1,139,479.80)	0.00	(186,729.00)	470,252,189.27
101/106	TRANSMISSION	384,291,767.19	2,811,355.93	(393,143.34)	0.00	287,945.00	386,997,924.78
101/106	DISTRIBUTION	478,149,970.30	14,872,845.01	(3,165,177.81)	0.00	(101,216.00)	489,755,421.50
	TOTAL (ACCOUNTS 101 & 106)	1,328,938,350.75	24,764,985.55	(4,697,800.75)	0.00	0.00	1,347,005,535.55
1011001	CAPITAL LEASES	11,201,881.49	0.00	0.00	(802,439.03)	0.00	10,399,442.45
102	ELECTRIC PLT PURCHASED OR SOLD	0.00	0.00	0.00	0.00	0.00	0.00
1140001	ELECTRIC PLANT ACQUISITION	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL ELECTRIC PLANT IN SERVICE	1,338,140,232.23	24,764,985.55	(4,697,800.75)	(802,439.03)	0.00	1,357,404,978.00
1050001	PLANT HELD FOR FUTURE USE	6,862,819.00	0.00	0.00	0.00	0.00	6,862,819.00
107000X	CONSTRUCTION WORK IN PROGRESS:						
107000X	BEG. BAL.	16,544,431.89					
107000X	ADDITIONS		27,715,841.47				
107000X	TRANSFERS		(24,764,985.55)				
107000X	END. BAL.		<u>2,950,855.92</u>				19,495,287.81
	TOTAL ELECTRIC UTILITY PLANT	1,351,547,483.12	27,715,841.47	(4,697,800.75)	(802,439.03)	0.00	1,383,763,084.81
NONUTILITY PLANT							
1210001	NONUTILITY PROPERTY-OWNED	996,378.00	0.00	0.00	0.00	0.00	996,378.00
1210002	NONUTILITY PROPERTY-LEASED	0.00	0.00	0.00	0.00	0.00	0.00
1240025-29	OTHER INVESTMENTS	4,594,574.41	0.00	(500.11)	0.00	0.00	4,594,074.30
	TOTAL NONUTILITY PLANT	6,590,952.41	0.00	(500.11)	0.00	0.00	5,590,452.30

KENTUCKY POWER COMPANY
ACCUMULATED PROVISION FOR DEPRECIATION, AMORTIZATION, & DEPLETION
YEAR TO DATE - July, 2005

GLR7410V

	BEGINNING BALANCE	PROVISION TO DATE	ORIGINAL COST	NET REM/ SALV COST	TRANSFER/ ADJUSTMENTS	ENDING BALANCE
UTILITY PLANT						
NUCLEAR						
1080001/11 OTHER					0.00	
1080009/10 DECOMMISSIONING COSTS					0.00	
TOTAL NUCLEAR					0.00	
1080001/11 PRODUCTION	167,944,173.79	9,925,897.58	(977,742.00)	(420,167.56)	(119,234.45)	176,352,927.36
1080001/11 TRANSMISSION	112,713,687.35	3,811,312.46	(361,283.29)	(118,636.68)	169,489.27	116,214,559.11
1080001/11 DISTRIBUTION	131,818,737.52	9,471,693.33	(2,988,872.97)	(622,918.47)	(50,264.82)	137,627,384.59
RETIREMENT WORK IN PROGRESS	(987,013.27)	0.00	0.00	(1,103,955.42)	1,161,722.71	(929,245.97)
TOTAL (108X accounts)	411,489,585.40	23,208,903.37	(4,328,908.26)	(2,265,678.13)	1,161,722.71	429,285,625.10
NUCLEAR						
1110001 PRODUCTION	2,357,841.52	1,019,945.86	(161,737.60)	0.00	0.00	3,216,049.78
1110001 TRANSMISSION	351,520.85	152,418.16	(31,850.05)	0.00	0.00	472,088.96
1110001 DISTRIBUTION	5,649,038.66	1,269,671.96	(175,304.84)	0.00	0.00	6,743,405.78
TOTAL (111X accounts)	8,358,401.03	2,442,035.98	(368,892.49)	0.00	0.00	10,431,544.52
1011006 CAPITAL LEASES	6,838,957.43	0.00	0.00	0.00	(68,557.00)	6,770,400.43
1150001 ACQUISITION ADJUSTMENT AMORT	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ACCUM DEPR & AMORT.	426,686,943.86	25,650,939.35	(4,697,800.75)	(2,265,678.13)	1,093,165.71	446,467,570.05
NONUTILITY PLANT						
1220001 Depr&Amrt of Nonutil Prop-Ownd	154,928.27	3,890.67	0.00	0.00	0.00	158,818.94
1220003 Depr&Amrt of Nonutil Prop-WIP	(2,306.91)	0.00	0.00	0.00	0.00	(2,306.91)
1240027 Other Property - RWIP	0.00	0.00	0.00	(500.11)	500.11	0.00
1240028 Other Property - RETIRE	0.00	0.00	(500.11)	500.11	0.00	0.00
TOTAL NONUTILITY PLANT	152,621.36	3,890.67	(500.11)	0.00	500.11	156,512.03



**AMERICAN[®]
ELECTRIC
POWER**

American Electric Power
1 Riverside Plaza
Columbus, OH 43215-2373
aep.com

August 29, 2005
Commonwealth of Kentucky
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

Please find enclosed Form EIA-826, Monthly Electric Utility Sales and Revenue Report with State Distributions for the month of July 2005.

Sincerely,

A handwritten signature in cursive script that reads 'Julie Pierson'.

Julie Pierson
Administrator - Regulated Accounting

JP/lck
Enclosure

U.S. Department of Energy
 Energy Information Administration
 Form EIA-826 (2005)

**Monthly Electric Utility Sales and Revenue
 Report with State Distributions – 2005**

Form Approval
 OMB NO.1905-0129
 (Expires 12-31-2005)

This report is mandatory under Public Law 93-275, the Federal Energy Administration Act of 1974, Public Law 95-91, Department of Energy Organization Act, and Public Law 102-486, the Energy Policy Act of 1992. Information reported on the Form EIA-826 is not considered confidential. See Section V of the General Instructions for sanctions statement. Public reporting burden for this collection of information is estimated to average 1.5 hours per response, including the time for reviewing the instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collected information. Send comments regarding this form, its burden estimate, or any aspect of the data collection to the Energy Information Administration, Statistical and Methods Group EI-73, 1000 Independence Avenue S.W., Forrestal Building, Washington, D.C. 20585; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503. (A person is required to respond to the collection of information only if it displays a valid OMB number.) Carefully read and follow all instructions. If you need assistance, please contact Alfred Pippi at: (202) 287-1625 or Charlene Harris-Russell at: (202) 287-1747 or by E-Mail at eia-826@eia.doe.gov.

Please submit by the last calendar day of the month following the reporting month. Return completed forms by E-Mail at eia-826@eia.doe.gov or fax to (202) 287-1585 or (202) 287-1959.

Department of Energy, Energy Information Administration (EI-53), BG-076 (EIA-826) Washington, DC 20585-0650.

Utility Name: Kentucky Power Company

Identification Code (Assigned by EIA): 22053

Reporting for the month of: Jan Feb Mar Apr May Jun Jul X Aug Sep Oct Nov Dec, 2005

Contact Person: Sherman Jenkins

Phone number: 614-716-1904

Email: sjenkins@ep.com

Fax: 614-716-1449

RETAIL SALES TO ULTIMATE CONSUMERS

Schedule I - A: Full Service (Energy and Delivery Service (bundled))

Instructions: Enter the reporting month revenue (thousand dollars), megawatthours, and number of consumers for energy and delivery service (bundled)

by State and consumer class category

State	Items	Residential	Commercial	Industrial	Transportation	Total
KY	a. Revenue (Thousand Dollars)	13,350	8,184	10,217	-	31,751
	b. Megwatthours	225,114	135,341	242,824	-	603,279
	c. Number of consumers	144,274	29,341	1,453	-	175,068
	a. Revenue (Thousand Dollars)					
	b. Megwatthours					
	c. Number of consumers					
	a. Revenue (Thousand Dollars)					
	b. Megwatthours					
	c. Number of consumers					
	a. Revenue (Thousand Dollars)					
	b. Megwatthours					
	c. Number of consumers					

Note: